

[DISCUSSION DRAFT]

114TH CONGRESS
1ST SESSION

H. R. _____

To amend the Communications Act of 1934 to reauthorize appropriations for the Federal Communications Commission and to streamline the provisions governing the assessment of offsetting collections by the Commission, to provide for an independent Inspector General for the Commission, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Communications Act of 1934 to reauthorize appropriations for the Federal Communications Commission and to streamline the provisions governing the assessment of offsetting collections by the Commission, to provide for an independent Inspector General for the Commission, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “FCC Reauthorization Act of 2015”.

1 (b) TABLE OF CONTENTS.—The table of contents for
2 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—FCC REAUTHORIZATION

Sec. 101. Authorization of appropriations.

Sec. 102. Application and regulatory fees.

Sec. 103. Effective date.

TITLE II—INDEPENDENT INSPECTOR GENERAL FOR FCC

Sec. 201. FCC Inspector General appointed pursuant to section 3 of the Inspector General Act of 1978.

TITLE III—DETERMINATION OF BUDGETARY EFFECTS

Sec. 301. Determination of budgetary effects.

3 **TITLE I—FCC**
4 **REAUTHORIZATION**

5 **SEC. 101. AUTHORIZATION OF APPROPRIATIONS.**

6 (a) IN GENERAL.—Section 6 of the Communications
7 Act of 1934 (47 U.S.C. 156) is amended to read as fol-
8 lows:

9 **“SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

10 **“(a) AUTHORIZATION.—**

11 **“(1) IN GENERAL.—**There are authorized to be
12 appropriated to the Commission to carry out the
13 functions of the Commission \$339,844,000 for each
14 of the fiscal years 2016 through 2020.

15 **“(2) COSTS OF ADMINISTERING AUCTIONS.—**In
16 addition to the amounts authorized to be appro-
17 priated in paragraph (1), there are authorized to be
18 appropriated to the Commission \$819,000,000 for

1 fiscal years 2016 through 2022 to carry out the pro-
2 gram required by section 309(j) (including carrying
3 out section 6403 of the Middle Class Tax Relief and
4 Job Creation Act of 2012 (47 U.S.C. 1452)).

5 “(b) OFFSETTING COLLECTIONS.—

6 “(1) IN GENERAL.—The sum appropriated in
7 any fiscal year to carry out the activities described
8 in subsection (a), to the extent and in the amounts
9 provided for in advance in Appropriations Acts, shall
10 be derived from fees authorized by section 9.

11 “(2) DEPOSIT OF COLLECTIONS.—Amounts re-
12 ceived from fees authorized by section 9 shall be de-
13 posited as an offsetting collection in, and credited to,
14 the account through which funds are made available
15 to carry out the activities described in subsection
16 (a).

17 “(3) DEPOSIT OF EXCESS COLLECTIONS.—Any
18 fees collected in excess of the total amount of fees
19 provided for in Appropriations Acts for a fiscal year
20 shall be deposited in the general fund of the Treas-
21 ury of the United States for the sole purpose of def-
22 icit reduction.

23 “(c) UNIVERSAL SERVICE CONTRIBUTIONS SUBJECT
24 TO APPROPRIATIONS PROCESS.—

1 “(1) AUTHORIZATION OF APPROPRIATIONS.—

2 There are authorized to be appropriated to the Com-
3 mission to carry out Federal universal service sup-
4 port programs established pursuant to section 254
5 \$9,000,000,000 for each of the fiscal years 2016
6 and 2017.

7 “(2) CONTRIBUTIONS TREATED AS OFFSETTING
8 COLLECTIONS.—

9 “(A) IN GENERAL.—The sum appropriated
10 in any fiscal year to carry out the programs de-
11 scribed in paragraph (1), to the extent and in
12 the amounts provided for in advance in Appro-
13 priations Acts, shall be derived from contribu-
14 tions received under section 254(d).

15 “(B) DEPOSIT OF CONTRIBUTIONS.—Con-
16 tributions received under such section shall be
17 deposited as an offsetting collection in, and
18 credited to, the account through which funds
19 are made available to carry out the programs
20 described in such paragraph.

21 “(C) DEPOSIT OF EXCESS CONTRIBU-
22 TIONS.—Any contributions received under such
23 section in excess of the total amount provided
24 for in Appropriations Acts for a fiscal year shall
25 be deposited in the general fund of the Treas-

1 ury of the United States for the sole purpose of
2 deficit reduction.

3 “(3) LIMITATION TO AMOUNTS PROVIDED FOR
4 IN APPROPRIATIONS ACTS.—Contributions under
5 such section may be assessed and collected in a fis-
6 cal year only to the extent and in the amounts pro-
7 vided for in advance in Appropriations Acts for such
8 fiscal year.

9 “(4) ESTABLISHMENT OF RATES.—The Com-
10 mission shall provide for the assessment and collec-
11 tion of contributions under such section at rates that
12 will result in the collection, in each fiscal year, of an
13 amount that can reasonably be expected to equal the
14 amount provided for in advance in Appropriations
15 Acts for such fiscal year.”.

16 (b) COSTS OF ADMINISTERING AUCTIONS COVERED
17 THROUGH APPROPRIATIONS.—

18 (1) IN GENERAL.—Section 309(j)(8) of the
19 Communications Act of 1934 (47 U.S.C. 309(j)(8))
20 is amended—

21 (A) in subparagraph (A), by striking
22 “(B),”;

23 (B) by striking subparagraph (B);

24 (C) in subparagraph (D)(ii), by striking
25 “and except as provided in subparagraph (B)”;

1 (D) in subparagraph (F), by striking “sub-
2 paragraphs (B) and” and inserting “subpara-
3 graph”; and

4 (E) in subparagraph (G), by striking “and
5 except as provided in subparagraph (B)” each
6 place it appears.

7 (2) CONFORMING AMENDMENTS.—Section
8 6403(c)(2) of the Middle Class Tax Relief and Job
9 Creation Act of 2012 (47 U.S.C. 1452(c)(2)) is
10 amended—

11 (A) in subparagraph (B)—

12 (i) in clause (i), by adding “and” at
13 the end;

14 (ii) by striking clause (ii); and

15 (iii) by redesignating clause (iii) as
16 clause (ii); and

17 (B) by striking subparagraph (C).

18 (c) ELIMINATION OF DUPLICATIVE AUTHORIZATION
19 OF APPROPRIATIONS.—

20 (1) IN GENERAL.—Section 710 of the Tele-
21 communications Act of 1996 (Public Law 104–104)
22 is repealed.

23 (2) CONFORMING AMENDMENT.—The table of
24 contents of section 2 of such Act is amended by
25 striking the item relating to section 710.

1 (d) TRANSFER OF FUNDS.—On the effective date de-
2 scribed in section 103, any amounts in the account pro-
3 viding appropriations to carry out the functions of the
4 Federal Communications Commission that were collected
5 in excess of the amounts provided for in Appropriations
6 Acts in any fiscal year prior to such date shall be trans-
7 ferred to the general fund of the Treasury of the United
8 States for the sole purpose of deficit reduction.

9 **SEC. 102. APPLICATION AND REGULATORY FEES.**

10 (a) IN GENERAL.—Section 9 of the Communications
11 Act of 1934 (47 U.S.C. 159) is amended to read as fol-
12 lows:

13 **“SEC. 9. APPLICATION AND REGULATORY FEES.**

14 “(a) GENERAL AUTHORITY.—The Commission shall
15 assess and collect application fees and regulatory fees to
16 recover the costs of carrying out the activities described
17 in section 6(a) only to the extent and in the amounts pro-
18 vided for in advance in Appropriations Acts.

19 “(b) APPLICATION FEES.—

20 “(1) IN GENERAL.—The Commission shall as-
21 sess and collect application fees at such rates as the
22 Commission shall establish in a schedule of applica-
23 tion fees to recover the costs of the Commission to
24 process applications.

25 “(2) ADJUSTMENT OF SCHEDULE.—

1 “(A) IN GENERAL.—In every even-num-
2 bered year, the Commission shall review the
3 schedule of application fees established under
4 this subsection and, except as provided in sub-
5 paragraph (B), set a new amount for each fee
6 in the schedule that is equal to the amount of
7 the fee on the date when the fee was established
8 or the date when the fee was last amended
9 under paragraph (3), whichever is later—

10 “(i) increased or decreased by the per-
11 centage change in the Consumer Price
12 Index during the period beginning on such
13 date and ending on the date of the review;
14 and

15 “(ii) rounded to the nearest \$5 incre-
16 ment.

17 “(B) THRESHOLD FOR ADJUSTMENT.—
18 The Commission may not adjust a fee under
19 subparagraph (A) if—

20 “(i) in the case of a fee the current
21 amount of which is less than \$200, the ad-
22 justment would result in a change in the
23 current amount of less than \$10; or

24 “(ii) in the case of a fee the current
25 amount of which is \$200 or more, the ad-

1 justment would result in a change in the
2 current amount of less than 5 percent.

3 “(C) CURRENT AMOUNT DEFINED.—In
4 subparagraph (B), the term ‘current amount’
5 means, with respect to a fee, the amount of the
6 fee on the date when the fee was established,
7 the date when the fee was last adjusted under
8 subparagraph (A), or the date when the fee was
9 last amended under paragraph (3), whichever is
10 latest.

11 “(3) AMENDMENTS.—In addition to the adjust-
12 ments required by paragraph (2), the Commission
13 shall by rule amend the schedule of application fees
14 established under this subsection if the Commission
15 determines that the schedule requires amendment so
16 that such fees reflect increases or decreases in the
17 costs of processing applications at the Commission
18 and the consolidation or addition of new categories
19 of applications.

20 “(c) REGULATORY FEES.—

21 “(1) IN GENERAL.—The Commission shall as-
22 sess and collect regulatory fees at such rates as the
23 Commission shall establish in a schedule of regu-
24 latory fees that will result in the collection, in each

1 fiscal year, of an amount that can reasonably be ex-
2 pected to equal the difference between—

3 “(A) the amounts described in subsection
4 (a) with respect to such fiscal year; and

5 “(B) the amount of application fees rea-
6 sonably expected to be collected in such fiscal
7 year.

8 “(2) ADJUSTMENT OF SCHEDULE.—

9 “(A) IN GENERAL.—For each fiscal year,
10 the Commission shall by rule adjust the sched-
11 ule of regulatory fees established under this
12 subsection to—

13 “(i) reflect unexpected increases or
14 decreases in the number of units subject to
15 the payment of such fees; and

16 “(ii) result in the collection of the
17 amount required by paragraph (1).

18 “(B) ROUNDING.—In making adjustments
19 under this paragraph, the Commission may
20 round fees to the nearest \$5 increment.

21 “(3) AMENDMENTS.—In addition to the adjust-
22 ments required by paragraph (2), the Commission
23 shall by rule amend the schedule of regulatory fees
24 established under this subsection if the Commission
25 determines that the schedule requires amendment so

1 that such fees reflect the full-time equivalent number
2 of employees within the bureaus and offices of the
3 Commission, adjusted to take into account factors
4 that are reasonably related to the benefits provided
5 to the payor of the fee by the Commission's activi-
6 ties. In making an amendment under this para-
7 graph, the Commission may not change the total
8 amount of regulatory fees required by paragraph (1)
9 to be collected in a fiscal year.

10 “(d) JUDICIAL REVIEW PROHIBITED.—An adjust-
11 ment or amendment to a schedule of fees under subsection
12 (b) or (c) is not subject to judicial review.

13 “(e) NOTICE TO CONGRESS.—The Commission shall
14 transmit to Congress notification—

15 “(1) of any adjustment under subsection (b)(2)
16 or (c)(2) immediately upon the adoption of such ad-
17 justment; and

18 “(2) of any amendment under subsection (b)(3)
19 or (c)(3) not later than 90 days before the effective
20 date of such amendment.

21 “(f) ENFORCEMENT.—

22 “(1) PENALTIES FOR LATE PAYMENT.—The
23 Commission shall by rule prescribe a penalty for late
24 payment of fees under this section. Such penalty

1 shall be 25 percent of the amount of the fee that
2 was not paid in a timely manner.

3 “(2) INTEREST ON UNPAID FEES AND PEN-
4 ALTIES.—The Commission shall charge interest, at a
5 rate determined under section 3717 of title 31,
6 United States Code, on a fee or penalty under this
7 section that is not paid in a timely manner. Such
8 section 3717 shall not otherwise apply with respect
9 to a fee or penalty under this section.

10 “(3) DISMISSAL OF APPLICATIONS OR FIL-
11 INGS.—The Commission may dismiss any applica-
12 tion or other filing for failure to pay in a timely
13 manner any fee, interest, or penalty under this sec-
14 tion.

15 “(4) REVOCATIONS.—

16 “(A) IN GENERAL.—In addition to or in
17 lieu of the penalties and dismissals authorized
18 by paragraphs (1) and (3), the Commission
19 may revoke any instrument of authorization
20 held by any licensee that has not paid in a
21 timely manner a regulatory fee assessed under
22 this section or any related interest or penalty.

23 “(B) NOTICE.—Revocation action may be
24 taken by the Commission under this paragraph
25 after notice of the Commission’s intent to take

1 such action is sent to the licensee by registered
2 mail, return receipt requested, at the licensee's
3 last known address. The notice shall provide the
4 licensee at least 30 days to either pay the fee,
5 interest, and any penalty or show cause why the
6 fee, interest, or penalty does not apply to the li-
7 censee or should otherwise be waived or pay-
8 ment deferred.

9 “(C) HEARING.—

10 “(i) GENERALLY NOT REQUIRED.—A
11 hearing is not required under this para-
12 graph unless the licensee's response pre-
13 sents a substantial and material question
14 of fact.

15 “(ii) EVIDENCE AND BURDENS.—In
16 any case where a hearing is conducted
17 under this paragraph, the hearing shall be
18 based on written evidence only, and the
19 burden of proceeding with the introduction
20 of evidence and the burden of proof shall
21 be on the licensee.

22 “(iii) COSTS.—Unless the licensee
23 substantially prevails in the hearing, the
24 Commission may assess the licensee for the
25 costs of such hearing.

1 “(D) OPPORTUNITY TO PAY PRIOR TO
2 REVOCATION.—Any Commission order adopted
3 under this paragraph shall determine the
4 amount due, if any, and provide the licensee
5 with at least 30 days to pay that amount or
6 have its authorization revoked.

7 “(E) FINALITY.—No order of revocation
8 under this paragraph shall become final until
9 the licensee has exhausted its right to judicial
10 review of such order under section 402(b)(5).

11 “(g) WAIVER, REDUCTION, AND DEFERMENT.—The
12 Commission may waive, reduce, or defer payment of a fee,
13 interest charge, or penalty in any specific instance for
14 good cause shown, if such action would promote the public
15 interest.

16 “(h) PAYMENT RULES.—The Commission shall by
17 rule permit payment—

18 “(1) in the case of fees in large amounts, by in-
19 stallments; and

20 “(2) in the case of fees in small amounts, in ad-
21 vance for a number of years not to exceed the term
22 of the license held by the payor.

23 “(i) EXCEPTIONS.—

1 “(1) APPLICATION FEES.—The application fees
2 established under this section shall not be applicable
3 to—

4 “(A) a governmental entity; or

5 “(B) a nonprofit entity licensed in the
6 Local Government, Police, Fire, Highway Main-
7 tenance, Forestry-Conservation, Public Safety,
8 or Special Emergency Radio service.

9 “(2) REGULATORY FEES.—The regulatory fees
10 established under this section shall not be applicable
11 to—

12 “(A) a governmental entity or nonprofit
13 entity; or

14 “(B) an amateur radio operator licensee
15 under part 97 of the Commission’s rules (47
16 C.F.R. part 97).

17 “(j) ACCOUNTING SYSTEM.—The Commission shall
18 develop accounting systems necessary to make the amend-
19 ments authorized by subsections (b)(3) and (c)(3).”.

20 (b) CONFORMING AMENDMENTS.—The Communica-
21 tions Act of 1934 (47 U.S.C. 151 et seq.) is amended—

22 (1) by repealing section 8; and

23 (2) in section 309(j)(6)(H), by striking
24 “charges imposed pursuant to section 8 of this Act”

1 and inserting “application fees assessed under sec-
2 tion 9”.

3 (c) RULEMAKING TO AMEND SCHEDULE OF REGU-
4 LATORY FEES.—

5 (1) IN GENERAL.—Not later than 1 year after
6 the effective date described in section 103, the Fed-
7 eral Communications Commission shall complete a
8 rulemaking proceeding under subsection (c)(3) of
9 section 9 of the Communications Act of 1934, as
10 amended by subsection (a) of this section.

11 (2) REPORT TO CONGRESS.—If the Federal
12 Communications Commission has not completed the
13 rulemaking proceeding required by paragraph (1) by
14 the date that is 6 months after the effective date de-
15 scribed in section 103, the Commission shall submit
16 to Congress a report on the progress of such rule-
17 making proceeding.

18 **SEC. 103. EFFECTIVE DATE.**

19 This title and the amendments made by this title
20 shall take effect on October 1, 2015.

1 **TITLE II—INDEPENDENT**
2 **INSPECTOR GENERAL FOR FCC**
3 **SEC. 201. FCC INSPECTOR GENERAL APPOINTED PURSU-**
4 **ANT TO SECTION 3 OF THE INSPECTOR GEN-**
5 **ERAL ACT OF 1978.**

6 (a) AMENDMENTS.—The Inspector General Act of
7 1978 (5 U.S.C. App.) is amended—

8 (1) in section 8G(a)(2), by striking “the Fed-
9 eral Communications Commission,”; and

10 (2) in section 12—

11 (A) in paragraph (1), by inserting “, the
12 Federal Communications Commission,” after
13 “the Chairman of the Nuclear Regulatory Com-
14 mission”; and

15 (B) in paragraph (2), by inserting “the
16 Federal Communications Commission,” after
17 “the Environmental Protection Agency,”.

18 (b) TRANSITION RULE.—An individual serving as In-
19 spectator General of the Federal Communications Commis-
20 sion on the date of the enactment of this Act pursuant
21 to an appointment made under section 8G of the Inspector
22 General Act of 1978 (5 U.S.C. App.)—

23 (1) may continue so serving until the President
24 makes an appointment under section 3(a) of such
25 Act with respect to the Federal Communications

1 Commission consistent with the amendments made
2 by subsection (a); and

3 (2) shall, while serving under paragraph (1), re-
4 main subject to the provisions of section 8G of such
5 Act which, immediately before the date of the enact-
6 ment of this Act, applied with respect to the Inspec-
7 tor General of the Federal Communications Commis-
8 sion and suffer no reduction in pay.

9 **TITLE III—DETERMINATION OF** 10 **BUDGETARY EFFECTS**

11 **SEC. 301. DETERMINATION OF BUDGETARY EFFECTS.**

12 The budgetary effects of this Act, for the purpose of
13 complying with the Statutory Pay-As-You-Go-Act of 2010,
14 shall be determined by reference to the latest statement
15 titled “Budgetary Effects of PAYGO Legislation” for this
16 Act, submitted for printing in the Congressional Record
17 by the Chairman of the House Budget Committee, pro-
18 vided that such statement has been submitted prior to the
19 vote on passage.